

Law Offices of Kenneth Lowell Rose
161 Prospect Street
Passaic, New Jersey 07055
973-779-0100
ken@kennethroselaw.com
KR No. 0687
Attorney for Plaintiff Valley National Bank

**United States Bankruptcy Court
District of New Jersey**

In re JUSTIN ALLEN MIHALIK)	Case No. 10-14423-NLW
Debtor)	Chapter 7
)	
VALLEY NATIONAL BANK)	Adv. Proc. No. _____
Plaintiff)	
)	Hearing Date:
v.)	
)	
JUSTIN ALLEN MIHALIK)	
Defendant)	COMPLAINT

Plaintiff, Valley National Bank, with primary offices located at 1455 Valley Road,
Township of Wayne, County of Passaic and State of New Jersey by way of Complaint against
the Defendant, JUSTIN ALLEN MIHALIK says:

1. At all times relevant hereto, the Defendant Justin Allen Mihalik resided at 31 Park Lane, Essex Fells, New Jersey.
2. The Plaintiff brings this adversary proceeding action pursuant to 28 U.S.C. §1334 as the Defendant has filed a Bankruptcy Petition seeking relief under Chapter 7 of the Bankruptcy laws and has named the Plaintiff as Creditor.
3. This matter is a core proceeding within the definition of 28 U.S.C. §157(b)(2)(B).
4. This District is the proper venue for this proceeding pursuant to 28 U.S.C. §1409.
5. The Defendant, Justin Allen Mihalik is seeking to discharge his obligation to the Plaintiff in these proceedings.
6. The Defendant, Justin Allen Mihalik became indebted to the Plaintiff in the amount of \$100,000 by a certain Note dated October 14, 2003, a copy of which is attached hereto as **Exhibit A**.
7. In order to facilitate the Plaintiff loaning the monies to the Defendant, the Defendant was required to submit a financial application statement. The statement contained a certification that the signer represented that the facts contained in the application statement were true.
8. The statement also contained a statement that the signer agreed to advise the Plaintiff if there was any material change to the applicant's financial status or to the information contained in the application form. A copy of the application is attached hereto as **Exhibit B**.

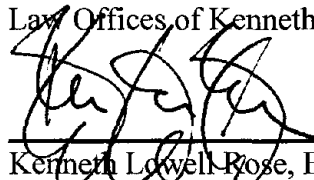
9. The Defendant transferred all right, title and interest in his ownership in his home, located at 31 Park Lane, Essex Fells, New Jersey to his wife Andrea Mihalik by deed dated April 29, 2004. A copy of the deed is attached hereto as **Exhibit C**.
10. The Defendant intentionally and deliberately failed to advise the Plaintiff of the divestiture of his ownership interest in and to the marital home. Further in the year 2005, 2006, 2007 and 2008 the Defendant intentionally misrepresented to the Plaintiff his assets, claiming that he still was the owner of the marital property, which was a significant asset and specifically included and misrepresented the increase in value of the property, that he did not own, as an asset on those statements. The Defendant made continuing knowing and material misrepresentations of fact on his financial statements. Copies of the statements from the years, 2005, 2006, 2007 and 2008 are attached hereto as **Exhibit D**.
11. The Defendant made material misrepresentations of fact on the financial statements with the intent that the Plaintiff rely thereon to its detriment which it did. Further, the Defendant filed Income Tax Returns for said years in question that continued this fraudulent scheme. The Defendant knew at all times relevant hereto, that the Plaintiff was relying on the Defendant's representations in the financial statements in connection with the Plaintiff's extension of credit and monies to the Defendant.
12. The Defendant then defaulted on the payment of the Note.
13. Pursuant to 11 U.S.C. 532(a)(2), the Plaintiff demands that the Plaintiff's loan not be discharged by the Bankruptcy Court due to the Defendant's intentional and/or fraudulent misrepresentations on his financial statements.

WHEREFORE, the Plaintiff respectfully requests that this Court grant Judgment as

follows:

- (a) Pursuant to 11. U.S.C. §532(a)(2), disallow any claim of the Defendant against this Plaintiff; and
- (b) Grant such other and further relief to the Plaintiff as may be just, proper and equitable.

Law Offices of Kenneth Lowell Rose



Kenneth Lowell Rose, Esq.

Attorney for Plaintiff, Valley National Bank

Dated: March 26, 2010

PERSONAL FINANCIAL STATEMENT AS OF 6-27-05
Date

SUBMITTED TO: _____

NORCROWN BANK
66 West Mt. Pleasant Ave.
PO Box 1637
Livingston, NJ 07039

© 1989 Robert Morris Associates - Form C-101 Rev. 12/89
ORDER FROM Bankers Systems, Inc., St. Cloud, MN 56302
These forms are intended for use in commercial lending transactions.
Where any other use is contemplated, it is suggested that a careful review
be made to ensure compliance with applicable laws and regulations.

PERSONAL INFORMATION					
APPLICANT (NAME) <u>Justin A. Mihalik</u>			CO-APPLICANT (NAME)		
Employer <u>Self (J.A. Mihalik Architect, LLC)</u>			Employer		
Address of Employer <u>2 E. Northfield Rd. Livingston, NJ</u>			Address of Employer		
Business Phone No. <u>973 994-2224</u>	No. of Years with Employer <u>7</u>	Title/Position <u>OWNER / PRINCIPAL</u>	Business Phone No.	No. of Years with Employer	Title/Position
Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.	Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.
Home Address <u>31 Park Lane, Essex Fells, NJ</u>			Home Address		
Home Phone No. <u>973 226-1224</u>	Social Security No. <u>139-74-2480</u>	Date of Birth <u>09-13-70</u>	Home Phone No.	Social Security No.	Date of Birth
Name, Phone No. of your Accountant <u>R.D. Hunter + Co. 201 261-4030</u>			Name, Phone No. of your Accountant		
Name, Phone No. of your Attorney <u>Jerry Casser 973 758-1300</u>			Name, Phone No. of your Attorney		
Name, Phone No. of your Investment Advisor/Broker <u>Brian Vitale 732 356-3836</u>			Name, Phone No. of your Investment Advisor/Broker		
Name, Phone No. of your Insurance Advisor <u>Jack Reiner 973 376-6810</u>			Name, Phone No. of your Insurance Advisor		

Cash Income & Expenditures Statement For Year Ended _____ **(Omit cents)**

ANNUAL INCOME	AMOUNT (\$)
Salary (applicant)	\$ <u>75,000.00</u>
Salary (co-applicant)	
Bonuses & Commissions (applicant)	
Bonuses & Commissions (co-applicant)	
Rental Income	
Interest Income	<u>100.00</u>
Dividend Income	<u>100.00</u>
Capital Gains	
Partnership Income	<u>0.00</u>
Other Investment Income	
Other Income (List)** <u>(SPOUSE)</u>	<u>50,000.00</u>
TOTAL INCOME ►	\$ <u>125,200.00</u>

ANNUAL EXPENDITURES	AMOUNT (\$)
Federal Income and Other Taxes	\$ <u>13,400.00</u>
State Income and Other Taxes	<u>3,500.00</u>
Rental Payments, Co-op, or Condo Maintenance	
Mortgage Payments	Residential <u>15,576.00</u> Investment
Property Taxes	Residential <u>5,400.00</u> Investment
Interest & Principal Payments on Loans	<u>-0.00</u>
Insurance	<u>950.00</u>
Investments (including tax shelters)	<u>0.00</u>
Alimony/Child Support	
Tuition	
Other Living Expense	<u>50,000.00</u>
Medical Expenses	<u>1,400.00</u>
Other Expense (List)	<u>20,000.00</u>
TOTAL EXPENDITURES ►	\$ <u>110,226</u>

Any significant changes expected in the next 12 months? ☐ Yes ☐ No (If yes, attach information.)

** Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for repaying this obligation.

CONTINGENT LIABILITIES		YES	NO	AMOUNT
1	Are you a guarantor, co-maker, or endorser for any debt of an individual, corporation, or partnership?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ _____
	Do you have any outstanding letters of credit or surety bonds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
	Are there any suits or legal actions pending against you?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
2	Are you contingently liable on any lease or contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
	Are any of your tax obligations past due?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
	What would be your total estimated tax liability if you were to sell your major assets?			_____
If yes for any of the above, give details:				
① DEBTS ARE LISTED IN SCHEDULE E				
② LEASES FOR OFFICE EQUIP., RENT and AUTO.				

* If not enough space, attach a separate schedule or brokerage statement and enter totals only.

Schedule B - Insurance

Life Insurance (use additional sheet if necessary)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership
BANNER	250K	TERM	SPOUSE	0	0	
BANNER	1.0M	TERM	SPOUSE	0	0	

Disability Insurance	Applicant	Co-Applicant
Monthly Distribution if Disabled		
Number of Years Covered		

Schedule C - Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)

Personal Residence		Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
Property Address	Legal Owner	Year	Price						
31 PARK LANE	SELF/SPOUSE	2002	365K	580K	27,396	✓	2032	1,748	WORLD SAVINGS
Investment		Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
Property Address	Legal Owner	Year	Price						

Schedule D - Partnerships (less than majority ownership for real estate partnerships)*

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance Due on Partnerships: Notes, Cash Call	Final Contribution Date
Business/Professional (Indicate name):						
J+JDEV. GROUP LLC	10-1-02	50,000	50%	750,000	460,400	OPEN
PROPERTY DEV. GROUP LLC	10-1-03	25,000	50%	150,980	119,600	OPEN
Investments (including Tax Shelters):						
PADK Developers	11-1-04		25%	750,000	567,800	OPEN

* Note: For investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns, or in the case of partnership investments or S-corporations, schedule K-1s.

Schedule E - Notes Payable

Due to	Type of Facility	Amount of Line	Secured		Collateral	Interest Rate	Maturity	Unpaid Balance
			Yes	No				
NORCROWN BANK		100,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>		6.75	4/30/05	86,241
Interchange BANK		100,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REAL ESTATE	6.25	5/12/35	109,000
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				

Please Answer The Following Questions:

1. Income tax returns filed through (date): Dec. 31, 2004 Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what year(s)? _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
If yes, please provide details: _____
3. Have you drawn a will? ☒ Yes ☐ No
If yes, please furnish the name of the executor(s) and year will was drawn: Andrea Mihalik, 2004
4. Number of dependents (excluding self) and relationship to applicant: WIFE, DAUGHTER, SON
5. Have you ever had a financial plan prepared for you? ☒ Yes ☐ No
6. Did you include two years federal and state tax returns? ☒ Yes ☐ No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? ☐ Yes ☒ No
If so, please indicate where, how much, and name of banker: _____

8. Do you anticipate any substantial inheritances? ☐ Yes ☒ No
If yes, please explain: _____

Representations and Warranties

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

Date

6-27-05

Your Signature



Date

Co-Applicant's Signature (if you are requesting
the financial accommodation jointly)

PERSONAL FINANCIAL STATEMENT AS OF 6-30-06
Date

SUBMITTED TO: **Valley National Bank**

PERSONAL INFORMATION					
APPLICANT (NAME) Justin A. Mihalik			CO-APPLICANT (NAME)		
Employer SELF / J.A. Mihalik Architect, LLC			Employer		
Address of Employer 2 E. Northfield Rd. Livingston, NJ			Address of Employer		
Business Phone No. 973 994-2724	No. of Years with Employer 8	Title/Position OWNER/PRINCIPAL	Business Phone No.	No. of Years with Employer	Title/Position
Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.	Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.
Home Address 31 Park Lane Essex Fells, NJ			Home Address		
Home Phone No. 973 226-1224	Social Security No. 139-74-2480	Date of Birth 9-13-70	Home Phone No.	Social Security No.	Date of Birth
Name, Phone No. of your Accountant Hunter Group CPA, LLC 201 261-4030			Name, Phone No. of your Accountant		
Name, Phone No. of your Attorney Jerry Casser, PC 973 758-1300			Name, Phone No. of your Attorney		
Name, Phone No. of your Investment Advisor/Broker Brian Vitale 732 356-3836			Name, Phone No. of your Investment Advisor/Broker		
Name, Phone No. of your Insurance Advisor Jack Reiner 973 376-6810			Name, Phone No. of your Insurance Advisor		

Cash Income & Expenditures Statement For Year Ended 12-31-06 (Omit cents)

ANNUAL INCOME	AMOUNT (\$)
Salary (applicant)	\$ 85,000.00
Salary (co-applicant)	
Bonuses & Commissions (applicant)	
Bonuses & Commissions (co-applicant)	
Rental Income	
Interest Income	150.00
Dividend Income	130.00
Capital Gains	
Partnership Income	0.00
Other Investment Income	
Other Income (List)** Spouse	65,000
TOTAL INCOME ►	\$150,280

ANNUAL EXPENDITURES	AMOUNT (\$)
Federal Income and Other Taxes (2005)	\$ 1,329
State Income and Other Taxes (2005)	1,248
Rental Payments, Co-op, or Condo Maintenance	
Mortgage Payments Residential Investment	16,760
Property Taxes Residential Investment	5,800
Interest & Principal Payments on Loans	10,000
Insurance	4,600
Investments (including tax shelters)	—
Alimony/Child Support	—
Tuition (childcare)	16,000
Other Living Expense	50,000
Medical Expenses	3,400
Other Expense (List)	20,000
TOTAL EXPENDITURES ►	\$129,137

Any significant changes expected in the next 12 months? ☐ Yes ☐ No (If yes, attach information).

** Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for repaying this obligation.

X
X
-

See schedule D

READILY MARKETABLE SECURITIES (including U.S. Governments and Municipals)*

* If not enough space, attach a separate schedule or brokerage statement and enter totals only.

Life Insurance (use additional sheet if necessary)

Disability Insurance	Applicant	Co-Applicant
Monthly Distribution if Disabled		
Number of Years Covered		

[illegible][illegible]

Schedule E - Notes Payable

Due to	Type of Facility	Amount of Line	Secured		Collateral	Interest Rate	Maturity	Unpaid Balance
			Yes	No				
VALLEY NAT'L BK		100,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>		9%	8/18/06	98,241
SOVEREIGN BANK	50% ownership	403,708	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Jt Properties	9%	8/18/07	539,271
✓ ✓		200,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31 Park Lane	variable	30 years	197,000
			<input type="checkbox"/>	<input type="checkbox"/>				

Please Answer The Following Questions:

1. Income tax returns filed through (date): 12-31-05 Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what year(s)? _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
If yes, please provide details: _____
3. Have you drawn a will? ☐ Yes ☒ No
If yes, please furnish the name of the executor(s) and year will was drawn: Andrea Mihalik, 2004
4. Number of dependents (excluding self) and relationship to applicant: 3/ wife, daughter and son
5. Have you ever had a financial plan prepared for you? ☒ Yes ☐ No
6. Did you include two years federal and state tax returns? ☒ Yes ☐ No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? ☒ Yes ☐ No
If so, please indicate where, how much, and name of banker: Sovereign Bank, \$200,000 Scott Powers
8. Do you anticipate any substantial inheritances? ☐ Yes ☒ No
If yes, please explain: _____

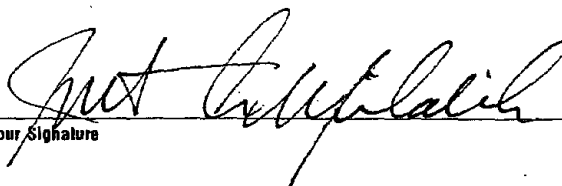
Representations and Warranties

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

Date

8/8/06

Your Signature



Date

Co-Applicant's Signature (if you are requesting
the financial accommodation jointly)

PERSONAL FINANCIAL STATEMENT AS OF 6-30-07
Valley National Bank
 SUBMITTED TO: _____ Date

PERSONAL INFORMATION					
APPLICANT (NAME) Justin A. Mihalik			CO-APPLICANT (NAME)		
Employer SELF / J.A. Mihalik Architect, LLC			Employer		
Address of Employer 2 E. Northfield Rd. Livingston, NJ			Address of Employer		
Business Phone No. 973 994-2224	No. of Years with Employer 9	Title/Position OWNER/PRINCIPAL	Business Phone No.	No. of Years with Employer	Title/Position
Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.	Name of previous employer & position (if with current employer less than 3 yrs.)		No. of Yrs.
Home Address 31 Park Lane Essex Fells, NJ			Home Address		
Home Phone No. 973 226-1224	Social Security No. 139-74-2480	Date of Birth 9-13-70	Home Phone No.	Social Security No.	Date of Birth
Name, Phone No. of your Accountant BOYKAS + CO 973 244-9213			Name, Phone No. of your Accountant		
Name, Phone No. of your Attorney Jerry Casser, PC 973 758-1300			Name, Phone No. of your Attorney		
Name, Phone No. of your Investment Advisor/Broker Brian Vitale 732 356-3836			Name, Phone No. of your Investment Advisor/Broker		
Name, Phone No. of your Insurance Advisor Jack Reiner 973 376-6810			Name, Phone No. of your Insurance Advisor		

Cash Income & Expenditures Statement For Year Ended 2007 **(Omit cents)**

ANNUAL INCOME	AMOUNT (\$)
Salary (applicant)	\$ 95,000
Salary (co-applicant)	
Bonuses & Commissions (applicant)	
Bonuses & Commissions (co-applicant)	
Rental Income	
Interest Income	100
Dividend Income	180
Capital Gains	
Partnership Income	
Other Investment Income	
Other Income (List)** Spouse	70,000
TOTAL INCOME ►	\$ 165,280

ANNUAL EXPENDITURES	AMOUNT (\$)
Federal Income and Other Taxes	\$ 0
State Income and Other Taxes	0
Rental Payments, Co-op, or Condo Maintenance	
Mortgage Payments Residential Investment	18,570
Property Taxes Residential Investment	7,000
Interest & Principal Payments on Loans	9,600
Insurance	8,000
Investments (including tax shelters)	
Alimony/Child Support	
Tuition (Child care)	19,000
Other Living Expense	50,000
Medical Expenses	3,000
Other Expense (List)	30,000
TOTAL EXPENDITURES ►	\$ 145,170

Any significant changes expected in the next 12 months? ☐ Yes ☐ No (If yes, attach information).

** Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for obtaining this obligation

These forms are intended for use in commercial lending transactions. Where any other use is contemplated, it is suggested that a careful review be made to ensure compliance with applicable laws and regulations.

Schedule B - Insurance

Life Insurance (use additional sheet if necessary)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership
Banner	250K	Term	SPOUSE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Justin Mihalik
Banner	1.0M	Term	SPOUSE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Justin Mihalik

Disability Insurance	Applicant	Co-Applicant
Monthly Distribution if Disabled		
Number of Years Covered		

Schedule C - Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)

Personal Residence		Legal Owner		Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
Property Address		Year	Price								
31 Park Lane	SELF/SPOUSE	2002	365K	800K	262,483	6.3	2032	2072	WORLD SAVINGS		
ESSEX FELS, NJ											
Investment		Legal Owner		Purchase		Market Value	Present Loan Balance	Interest Rate	Loan Maturity Date	Monthly Payment	Lender
Property Address		Year	Price								

Schedule D - Partnerships (less than majority ownership for real estate partnerships)*

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance Due on Partnerships: Notes, Cash Call	Final Contribution Date
Business/Professional (Indicate name):						
J+J Dev. Group LLC	10-1-02	50,000	50%	1,350,000 @ 50%	44,500	OPEN
JAM Dev. Group LLC	5-2-03	120,000	100%	410,000	0	
Investments (Including Tax Shelters):						

* Note: For investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns, or in the case of partnership investments or S-corporations, schedule K-1s.

Schedule E - Notes Payable

Due to	Type of Facility	Amount of Line	Secured		Collateral	Interest Rate	Maturity	Unpaid Balance
			Yes	No				
Valley NATL BANK		100,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>		9.25%	8/18/07	98,241
SOVEREIGN BANK	50% Ownership	1,039,708	<input checked="" type="checkbox"/>	<input type="checkbox"/>	J+J Properties	9.25%	9/30/07	492,767
		417,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31 PARK LANE	8.2%	2020	353,000
PRISACK COMM. BANK		330,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	JAM DEV - Propy	8.75%	10/1/07	290,050

CONTINGENT LIABILITIES	YES	NO	AMOUNT
Are you a guarantor, co-maker, or endorser for any debt of an individual, corporation, or partnership?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ _____
Do you have any outstanding letters of credit or surety bonds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Are there any suits or legal actions pending against you?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Are you contingently liable on any lease or contract? OFFICE EQUIP., RENT + AUTO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
Are any of your tax obligations past due?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
What would be your total estimated tax liability if you were to sell your major assets?			_____
If yes for any of the above, give details:			
① Debts are listed in Schedule E			
② Leases for office Equip., rent and Auto			

Schedule A - All Securities (including non-money market mutual funds)							
No. of Shares (Stock) or Face Value (Bonds)	DESCRIPTION	OWNER(S)	WHERE HELD	COST	CURRENT MARKET VALUE	PLEGGED	
						YES	NO
READILY MARKETABLE SECURITIES (including U.S. Governments and Municipals)*							
	MANAGERS FUND				9,690	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	FIDELITY INV				5,854	<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
NON-READILY MARKETABLE SECURITIES (closely held, thinly traded, or restricted stock)							
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

* If not enough space, attach a separate schedule or brokerage statement and enter totals only.

Please Answer The Following Questions:

1. Income tax returns filed through (date): 12-31-06 Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what year(s)? _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
If yes, please provide details: _____
3. Have you drawn a will? ☒ Yes ☐ No
If yes, please furnish the name of the executor(s) and year will was drawn: Andrea Mihalik, 2004
4. Number of dependents (excluding self) and relationship to applicant: 3 / Wife, son, daughter
5. Have you ever had a financial plan prepared for you? ☒ Yes ☐ No
6. Did you include two years federal and state tax returns? ☒ Yes ☐ No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? ☒ Yes ☐ No
If so, please indicate where, how much, and name of banker: Sovereign Bank \$353,000
Maria Leone
8. Do you anticipate any substantial inheritances? ☐ Yes ☒ No
If yes, please explain: _____

Representations and Warranties

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

Date

8/1/07

Your Signature



Date

Co-Applicant's Signature (if you are requesting
the financial accommodation jointly)

Personal Information for Applicant

☒ Mr. ☐ Mrs. ☐ Ms. JUSTIN A MIHALIK
 Home Address 31 PARK LANE
 City ESSEX FELLS State NJ Zip Code 07021
 SS # 139-74-2480 Date of Birth 9/13/70
 Years at Address 6 Is your home ☒ owned? ☐ rented?
 Phone # 973-226-1224 Cell Phone # 973-715-8652
 Email Address jmihalik@jam-arch.com
 Business Name or Employer JARMEI KIZEL ARCH. & ENG. INC.
 Address 42 OKNER PKWY
 City LIVINGSTON State NJ Zip Code 07039
 Title or Position PRINCIPAL Percentage of Ownership 89%
 Phone # 973-994-9669 Fax # 973-994-4069
 Website Address www.jkarch.com

Personal Information for Co-Applicant

☐ Mr. ☐ Mrs. ☐ Ms. _____
 Home Address _____
 City _____ State _____ Zip Code _____
 SS # _____ Date of Birth _____
 Years at Address _____ Is your home ☐ owned? ☐ rented?
 Phone # _____ Cell Phone # _____
 Email Address _____
 Business Name or Employer _____
 Address _____
 City _____ State _____ Zip Code _____
 Title or Position _____ Percentage of Ownership _____
 Phone # _____ Fax # _____
 Website Address _____

Annual Sources of Income		Annual Expenditures	
Salary (Applicant)	140,000	Income Taxes	
Salary (Co-Applicant)		Mortgage Payments	21,781
Bonuses & Commissions		Rental Payments	
Interest	4,585	Real Estate Taxes	6,600
Dividends	182	Loan Payments	30,000
Real Estate Income		Insurance Payments	5,000
Capital Gains		Tuition (CHILDCARE)	21,000
Other Investment Income		Medical Expenses	875
Partnership Income		Alimony, Child Support	
Alimony, Child Support*		Other Expenses (List)	
Other Income (List)		UTILITIES	4,000
		TELEPHONE	975
		CABLE TV	1,900
		HOUSEHOLD	10,000
		MISC	20,000
Total Income	144,767	Total Expenses	122,131

Assets		Liabilities	
Cash in this Bank	7,000	Income Taxes Payable	-0-
Cash in Other Banks	10,000	Notes Payable this Bank	98,241
Marketable Securities		Other Notes Payable	
Other Securities		Residential Mortgages	259,267
Accounts Receivable	96,020	Home Equity Mortgages	397,697
Notes Receivable		Investment Mortgages	
Residential Real Estate	800,000	Credit Cards	50,000
Investment Real Estate		Other Taxes Payable	
Retirement Accounts	24,000	Margin Accounts	
Personal Property	5,000	Life Insurance Loans	-0-
Cash Value Life Insurance	-0-	Other Liabilities (List)	
Other Assets (List)			
STOCKS	1,600		
Total Assets	946,220	Total Liabilities	805,205

*Income from Alimony, child support or separate maintenance need not be revealed if you do not wish to have it considered as a basis for repaying this loan.

Schedule of Readily Marketable U.S. Government Securities, Stocks and Bonds Owned (Attach Schedule, as needed)

No. of Shares	Description	Owners	Where Held	Current Value	Pledged?
27	HOME DEPOT		FIDELITY	733.00	
21	LSI CORP		FIDELITY	110.00	
250	SIRIUS		FIDELITY	757.00	

Other Non-Readily Marketable Securities Owned

No. of Shares	Description	Owners	Where Held	Current Value	Pledged?

Schedule of Real Estate Owned

Description and Address	Owners	Year Purchased	Amount Paid	Market Value	Mortgage Balance	Lender	Maturity Date
31 PARK LANE ESSEX FELLS, NJ	JUSTIN & ANDREA MIHALIK	2002	365,000	800,000	259,267	WACHOVIA	2032

Insurance Company	Face Amount	Owner	Beneficiary	Cash Value	Amount Borrowed
BANNER	250,000	JUSTIN MIHALIK	ANDREA MIHALIK	-0-	-0-
BANNER	1,000,000	"	"	"	"
BANNER	500,000	JUSTIN MIHALIK	ARTHUR DEMAREST	"	"

Schedule of Notes or Lines of Credit Payable

Lender	Type of Note	Amount	Secured	Unsecured	Collateral	Balance Due
SOVEREIGN	ELC	417,000	X		31 PARK LANE	397,697

Schedule of Business Ownership and Partnership or LLC Investments

Name of Business or Investment	Type of Business or Investment	Year Acquired	Original Cost	Percent Owned	Current Value	Balance Due on Investment
J&J DEVELOPMENT GROUP LLC	DEVELOPMENT	2003		50	1.2M	241,000
J.A. MIHALIK ARCHITECT LLC	ARCHITECTURE	1998		100		64,500
JAM DEVELOPMENT GROUP LLC	DEVELOPMENT	2002		100	-0-	19,500

Please Answer the Following Questions:

1. Number of Dependents (excluding yourself): 3
2. Are you a Citizen of the United States of America? ☒ Yes ☐ No
3. Federal 1040 Tax Returns are filed through (date): 2006 Are any returns currently being audited or contested? ☐ Yes ☒ No
- Name and telephone number of your accountant: JOHN BOYKAS, 201-512-5700
4. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
5. Do (either of) you have a Line of Credit or unused credit facility at any other institution? ☒ Yes ☐ No
- If yes, please indicate where and for how much: SOVEREIGN BANK, \$417,000 ELOC (PERSONAL)

Contingent Liabilities

1. Are (either of) you a guarantor, co-maker, or endorser for any debt of an individual or business entity? ☒ Yes ☐ No \$493,000
2. Are you contingently liable on any lease or contract? ☐ Yes ☒ No
3. Are there any legal actions pending against (either of) you? ☐ Yes ☒ No
4. Are any of your tax liabilities past due? ☐ Yes ☒ No

If Yes to any of the above, please provide details:

J&J DEVELOPMENT GROUP - \$493,000 (LINE OF CREDIT)

Representations and Warranties

The information contained in this statement is provided to induce Valley National Bank ("you") to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept the guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. You may request a consumer report in connection with this application and subsequent consumer reports in connection with updating, renewing, or extending the existing or future extensions of credit. Upon the undersigned's written request, you will provide the name and address of the consumer reporting agency furnishing reports to you, if any. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

[Signature]
Signature of Applicant

2/20/08
Date

Signature of Co-Applicant

Date



2007 © Valley National Bank. Member FDIC.

IMPORTANT INFORMATION FOR THE ABOVE SIGNER(S) ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT - To help government fight the funding of terrorism and money laundering activities, applicable law requires Valley National Bank ("Valley") to obtain, verify, and record information that identifies each person who opens an account. What this means for the above signer(s): When you open an account, Valley will ask for your name, address, date of birth, and other information that will allow Valley to identify you. Valley may also ask to see your driver's license or other identifying documents.

Insurance Company	Face Amount	Owner	Beneficiary	Cash Value	Amount Borrowed
BANNER	250,000	JUSTIN MIHALIK	ANOREA MIHALIK	-0-	-0-
BANNER	1,000,000	"	"	"	"
BANNER	500,000	JUSTIN MIHALIK	ARTHUR DEMAREST	"	"

Schedule of Notes or Lines of Credit Payable

Lender	Type of Note	Amount	Secured	Unsecured	Collateral	Balance Due
SOVEREIGN	ELOC	417,000	X		31 PARK LANE	397,697

Schedule of Business Ownership and Partnership or LLC Investments

Name of Business or Investment	Type of Business or Investment	Year Acquired	Original Cost	Percent Owned	Current Value	Balance Due on Investment
J&J DEVELOPMENT GROUP LLC	DEVELOPMENT	2003		50	1.2M	241,000
J.A. MIHALIK ARCHITECT LLC	ARCHITECTURE	1998		100		64,500
JAM DEVELOPMENT GROUP LLC	DEVELOPMENT	2002		100	-0-	19,500

Please Answer the Following Questions:

1. Number of Dependents (excluding yourself):

3

2. Are you a Citizen of the United States of America?

Yes ☒ No ☐

3. Federal 1040 Tax Returns are filed through (date):

2006

Are any returns currently being audited or contested?

☐ Yes ☒ No

Name and telephone number of your accountant:

JOHN BOYKAS, 201-512-5700

4. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy?

☐ Yes ☒ No

5. Do (either of) you have a Line of Credit or unused credit facility at any other institution?

☒ Yes ☐ No

If yes, please indicate where and for how much:

SOVEREIGN BANK, \$417,000 ELOC (PERSONAL)

SOVEREIGN BANK, \$1.2M, J&J DEV. GROUP, LLC

Contingent Liabilities

1. Are (either of) you a guarantor, co-maker, or endorser for any debt of an individual or business entity?

Yes ☒ No ☐ Amount \$493,000

2. Are you contingently liable on any lease or contract?

☐ Yes ☒ No

3. Are there any legal actions pending against (either of) you?

☐ Yes ☒ No

4. Are any of your tax liabilities past due?

☐ Yes ☒ No

If Yes to any of the above, please provide details:

J&J DEVELOPMENT GROUP - \$493,000 (LINE OF CREDIT)

Representations and Warranties

The information contained in this statement is provided to induce Valley National Bank ("you") to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept the guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. You may request a consumer report in connection with this application and subsequent consumer reports in connection with updating, renewing, or extending the existing or future extensions of credit. Upon the undersigned's written request, you will provide the name and address of the consumer reporting agency furnishing reports to you, if any. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.


Signature of Applicant

2/20/08
Date

Signature of Co-Applicant

Date



2007 © Valley National Bank. Member FDIC.

IMPORTANT INFORMATION FOR THE ABOVE SIGNER(S) ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT - To help government fight the funding of terrorism and money laundering activities, applicable law requires Valley National Bank ("Valley") to obtain, verify, and record information that identifies each person who opens an account. What this means for the above signer(s): When you open an account, Valley will ask for your name, address, date of birth, and other information that will allow Valley to identify you. Valley may also ask to see your driver's license or other identifying documents.

EXHIBIT A

COMMERCIAL NOTE (LINE OF CREDIT)

NORCROWN BANK

Loan : 38004551
Amount: \$100,000.00
Dated: October 14, 2003

FOR VALUE RECEIVED, the undersigned (individually and collectively (if more than one), jointly and severally, J.A. Mihalik, Architect an address at 2 East Northfield Road Livingston NJ 07039, unconditionally promises to pay to the order of NorCrown Bank (the "Bank"), at its office located at 66 West Mt. Pleasant Avenue, Livingston, New Jersey 07039, or at such other place as the Bank may direct, One Hundred Thousand Dollars together with interest at the rate and on the terms provided in this Commercial Note (including all renewals, extensions and/or modifications, this "Note"). The Commitment Letter from the Bank to Borrower, this Note and all documents executed in connection with this Note are referred to herein collectively as the "Loan Documents."

1. **INTEREST RATE.** The Borrower will pay the Bank interest on the unpaid principal balance at the annual rate set forth below (calculated on the actual number of days elapsed over a 360-day year) from the date of this Note until the entire principal balance has been paid. At no time, however, will the interest rate exceed the maximum allowable by law.

☐ Fixed Rate. The rate of _____ percent per annum.

OR

☒ Adjustable Rate. During the term of the loan interest shall be calculated at a floating rate equal to 1.00 % per annum above the Prime Rate as defined herein with the interest rate to change on the date of change of the Prime Rate (the "Change Date") with a floor of 6.00%. The minimum percentage rate will not be less than 6.00%. The Prime Rate shall mean the highest Prime Rate as set forth in the Wall Street Journal from time to time but does not reflect the rate of interest charged to any particular class of Borrower nor does it necessarily reflect the lowest reference rate of interest charged by the Bank to any Borrower.

2. **TERM.** This Note matures and all unpaid principal, accrued interest and all other amounts recoverable under the Loan Documents are payable on June 30, 2004 (the "Maturity Date").

3. **PAYMENTS.** The Borrower will pay principal and interest by making payments as follows (which payments, will be applied first to any fees, costs, expenses or charges under the Loan Documents, then to the payment of accrued interest, and the balance only applied to principal): monthly payments of interest only at the rate set forth above on the outstanding principal balance owing from time to time commencing November 30, 2003 and on the same date of each successive month initial the Maturity Date when the entire outstanding principal balance plus accrued interest shall be due and payable.

4. **LINE OF CREDIT FACILITY.** The loan evidenced by this Note is a revolving line of credit. Prior to the Maturity Date the Borrower may borrow up to the amount of the Note; prepay said obligation and reborrow.

5. **30 DAY CLEANUP.** During the term of the loans evidenced by this Note the Borrower shall reduce the outstanding principal balance to zero for a thirty day period.

6. **PREPAYMENTS:** The Borrower may prepay this Note, in whole or in part, at any time, without penalty.

7. **LATE FEE.** If the Bank does not receive the entire amount of any payment required under this Note within 15 days of its due date, the Borrower will pay a late fee of 5% of that entire amount. Any such late charge assessed is immediately due and payable.

8. **COLLATERAL AND GUARANTEES.** Borrower's payment and performance obligations hereunder shall be UNSECURED and guaranteed by certain guarantees (any party executing a guarantee being referred to herein as a "Guarantor"). Any security interests or mortgage liens in any other collateral given to the Bank by any Borrower or Guarantor in connection with any other obligation to the Bank will also secure repayment of this Note.

9. **REPRESENTATIONS AND WARRANTIES.** Borrower continually represents and warrants to the Bank that (a) if Borrower or any Guarantor is an entity, it is duly organized and existing and in good standing in the state of its organization, has the power to own its properties and to carry on its business, and the execution, delivery and performance of the Loan Documents have been duly authorized by all necessary action; (b) the execution, delivery, and performance of the Loan Documents by Borrower and any other parties thereto do not require the consent or approval of any other party and do not conflict with, result in a violation of, or constitute a default under any agreement or other instrument binding upon such parties or any law, regulation, court decree, or order applicable to such parties; and (c) the Loan Documents constitute legal, valid and binding obligations of the parties thereto enforceable in accordance with their respective terms.

10. **AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with the Bank that, at all times any amounts owing to the Bank exist, Borrower shall (a) furnish or cause others to furnish such information (including, without limitation, tax returns and financial information) with respect to Borrower's or any Guarantor's financial condition and business operations as the Bank may request from time to time and cooperate and join with the Bank in taking all such further actions as the Bank deems necessary to effectuate the provisions of the Loan Documents; (b) permit employees or agents of the Bank full and complete access to any or all of Borrower's properties and financial records, to make extracts from and/or audit such records and to examine and discuss Borrower's properties, business, finances and affairs with Borrower's officers and outside accountants, all at Borrower's expense; and (c) observe any financial covenants set forth in the Commitment Letter.

11. **DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

- (a) failure of Borrower to make any payment to the Bank (whether upon the Maturity Date or otherwise) when due hereunder;
- (b) failure of Borrower or any Guarantor to comply with or to perform any term or condition contained in the Loan Documents or the occurrence of any default or "Event of Default" under any other Loan Document;
- (c) any representation, warranty, certification, or other information furnished by or on behalf of the Borrower or any Guarantor was false or misleading in any material respect when made;
- (d) the institution of proceedings by or against the Borrower or any Guarantor under any bankruptcy or insolvency law, or any law for the benefit of creditors or relief of debtors, (provided, however, that the institution of involuntary proceedings against the Borrower or any Guarantor will not be an Event of Default if such proceeding is discharged or dismissed within sixty (60) days after the commencement date thereof), or a custodianship, trusteeship, receivership or assignment for the benefit of creditors is imposed upon or sought by the Borrower, any Guarantor or any part of the Property;
- (e) the existence of any liens for taxes due with respect to the Property unless the liens are being contested in good faith and adequate reserves have been deposited with the Bank, or construction lien claims which have not been dismissed for 30 days or for which escrows, satisfactory in amount to the Bank, have not been established by the Borrower;
- (f) the default of the Borrower or any Guarantor under any other obligation owed to the Bank, or any third party, now existing or arising after the date of this Note;
- (g) any change in the ownership or control of the Borrower or any Guarantor;
- (h) the filing, entry or issuance of any judgment, execution, garnishment, attachment, distraint, or lien against Borrower, any Guarantor or any of their property, or the entry of any order enjoining or restraining Borrower or any Guarantor and/or restraining or seizing any property of Borrower or any Guarantor;

EXHIBIT B

(i) the death or dissolution of any Borrower or

(j) any event which, in the Bank's judgment, materially adversely affects (i) the ability of the Borrower or any Guarantor to perform any of its obligations under the Loan Documents or any Guaranty as applicable; (ii) the business or financial condition of the Borrower or any Guarantor; or (iii) the operations or value of the Property or other collateral or the Bank's lien or security interest on the Property or other collateral.

12. **REMEDIES.** Upon the occurrence of an Event of Default, at Bank's option (with the exception of (d) above, which shall be automatic upon said occurrence), all amounts owing to Bank will become due and payable immediately, without notice of any kind to Borrower or any Guarantor, and interest will continue to accrue on the full amount thereof at a rate equal to 5% per annum in excess of the rate of interest otherwise charged hereunder. In addition, the Bank shall have all the rights and remedies provided in the other Loan Documents or available at law, in equity, or otherwise. All of the Bank's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by the Bank to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform any obligation of Borrower or of any Guarantor shall not affect the Bank's right to declare an Event of Default and to exercise its rights and remedies. Upon occurrence of an Event of Default the Bank shall be under no obligation to make any additional advances hereunder.

13. **RIGHT OF SETOFF.** Borrower grants to the Bank a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to the Bank all of Borrower's right, title and interest in and to, Borrower's present and future bank accounts. Borrower authorizes the Bank to charge or set off all sums owing to the Bank against any and all such accounts and, at the Bank's option, to administratively freeze all such accounts to allow the Bank to protect the Bank's charge and setoff rights provided in this paragraph.

14. **EXPENSES.** Borrower agrees to pay upon demand the Bank's expenses in an amount equal to the Bank's actual expenses. The Bank's expenses include, without limitation, the fees and expenses of in-house and outside counsel incurred in connection with the preparation, execution, enforcement and modification of the Loan Documents, including attorneys' fees for bankruptcy proceedings, appeals, and any post-judgment collection services.

15. **GENERAL PROVISIONS.** Borrower waives presentment, demand for payment, protest, notice of dishonor, and notice of default or of an Event of Default. Upon any change in the terms of this Note or any of the other Loan Documents, and unless otherwise expressly stated in writing, Borrower and any Guarantor shall not be released from liability. Borrower agrees that the Bank may renew or extend this Note, or release any party, Guarantor or collateral, or impair, fail to realize upon or perfect the Bank's security interest in any collateral, and take any other action deemed necessary by the Bank without the consent of or notice to anyone.

16. **GOVERNING LAW.** This Note shall be construed according to the laws of the State of New Jersey.

17. **SEVERABILITY.** If any provision of the Loan Documents is found to be invalid or unenforceable, such provision shall be stricken and all remaining provisions of the Loan Documents shall remain valid and enforceable.

18. **WAIVER; AMENDMENTS.** No amendment of the Loan Documents, and no waiver of any one or more of the provisions hereof and thereof, shall be effective unless set forth in a writing prepared by Borrower or Guarantor, whichever is applicable, and signed by the Bank; provided, however, that any such waiver shall be restricted to the matters specified in such writing.

19. **ENTIRE AGREEMENT.** The Loan Documents constitute the sole agreement of the parties regarding the subject matter hereof and thereof and supersede all oral negotiations and prior writings regarding the subject matter hereof and thereof.

20. **WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION; SERVICE OF PROCESS.** BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY MATTER RELATING TO, ARISING FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS. BORROWER ALSO CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE WHOSE LAWS GOVERN THE LOAN DOCUMENTS AND AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY MAILING A COPY OF SUCH PROCESS TO BORROWER.

21. **FURTHER ASSURANCES.** Borrower agrees to cooperate and take all necessary steps as reasonably requested by the Bank to carry out the spirit and intent of the Loan Documents, including, without limitation, executing or reexecuting any of the Loan Documents.

22. **SUCCESSORS AND ASSIGNS.** The Loan Documents shall be binding upon Borrower and Borrower's successors and assigns and shall inure to the benefit of the Bank, its successors and assigns. Borrower may not assign or transfer Borrower's rights under the Loan Documents without the prior written consent of the Bank.

23. The advent of the 2000 shall not adversely affect the Borrower's operations or the performance of its information technology. Without limiting the generality of the foregoing, (i) the hardware and software utilized by Borrower are designed to be used prior to, during, and after calendar year 2000 A.D. and such hardware and software will operate during each such time period without error relating to data, specifically including any error relating to, the conduct of, date data which represents or references different centuries or more than one century, (ii) the hardware and software utilized by Borrower will not abnormally end or provide invalid or incorrect results as a result of date data, and (iii) the hardware and software utilized by Borrower have been designed to ensure year 2000 A.D. compatibility, including date data, century recognition, leap year, calculations which accommodate same century and multicentury formulas and date values, and date data interface values that reflect the century.

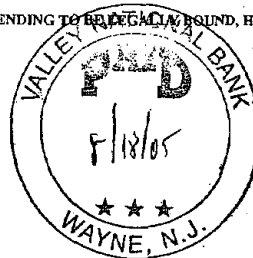
24. **RENEWALS.** Any renewals of the Line of Credit and this Note shall be at the discretion of the Bank and the Bank shall be under no obligation to renew said line of credit facility.

IN WITNESS WHEREOF, BORROWER, INTENDING TO BE LEGALLY BOUND, HAS EXECUTED THIS NOTE AS OF THE DATE ABOVE WRITTEN.

BORROWER: J.A. Mihalik, Architect

By: 
Justin A. Mihalik

By: _____



WITNESSED BY:

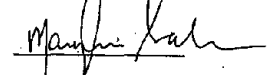


EXHIBIT C

Please Answer The Following Questions:

1. Income tax returns filed through (date): Dec. 31, 2004 Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what year(s)? _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
If yes, please provide details: _____
3. Have you drawn a will? ☒ Yes ☐ No
If yes, please furnish the name of the executor(s) and year will was drawn: Andreea Mihalik 2004
4. Number of dependents (excluding self) and relationship to applicant: WIFE, DAUGHTER, SON
5. Have you ever had a financial plan prepared for you? ☒ Yes ☐ No
6. Did you include two years federal and state tax returns? ☒ Yes ☐ No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? ☐ Yes ☒ No
If so, please indicate where, how much, and name of banker: _____

8. Do you anticipate any substantial inheritances? ☐ Yes ☒ No
If yes, please explain: _____

Representations and Warranties

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify you as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned. As long as any obligation or guarantee of the undersigned to you is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give you shall be your property.

Date

6-27-05

Your Signature



Date

Co-Applicant's Signature (if you are requesting
the financial accommodation jointly)

EXHIBIT D

JERRY A. CASSER, P.C.

Deed

1054045
This Deed is made on April 29, 2004
BETWEEN
JUSTIN A. MIHALIK and ANDREA MIHALIK, his wife

whose post office address is
31 Park Lane, Essex Fells, New Jersey

referred to as the Grantor,
AND
ANDREA MIHALIK, married

whose post office address is
31 Park Lane, Essex Fells, New Jersey

referred to as the Grantee.
The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of
ONE (\$1.00) DOLLAR
The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Essex Fells
Block No. 30/000A Lot No. 14 Qualifier No. Account No.
☒ No property tax identification number is available on the date of this Deed. (Check Box if Applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in
the Township of Essex Fells
County of Essex and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)
Being the same premises conveyed to the Grantors herein by Deed from The Estate of Edith G. Zachary dated July 31, 2002 and recorded in the Essex County Register's Office on August 13, 2002 in Deed Book 5908, Page 581.

This Deed has been given for the purpose of releasing and relinquishing all of the right, title and interest of Justin A. Mihalik in the said property and is made pursuant to Revised Statutes of the State of New Jersey, 37:2-18.1, and the said Justin A. Mihalik releases and relinquishes to his wife, Andrea Mihalik, all of his right, title and interest in the property and his right of curtesy in the said property with the full right of Andrea Mihalik to convey, encumber, devise or otherwise dispose of the said property by conveyance or consent free and clear of any such right or estate of curtesy of Justin A. Mihalik.



Instr# 1054045 Carol A. Graves
Recorded/Filed RB 1 Essex County Register
07/09/2004 10:02:3 Bk 6083 Pg 497 #Pg 4

Consideration: 0.00
County: 0.00
State: 0.00
N.P.R.F.: 0.00
Realty Tax: 0.00
Fees: 70.00

Prepared by: (print signer's name below signature)

(For Recorder's Use Only)

JERRY A. CASSER, ESQ.

Apr. 29. 2004 9:16AM J.A. MIHALIK

No. 4631 P. 2

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Essex Fells, County of Essex and State of New Jersey being more particularly described as follows:

BEGINNING at a point in the curved Northwesternly line of Park Lane (50.00 feet wide) distant 661.44 feet Northeastwardly from the Southeasterly line of Roseland Avenue and extends, thence;

- (1) North 41degrees 31 minutes 00 seconds West, distant 269.51 feet to a point, thence
- (2) North 46 degrees 02 minutes East, distant 4.02 feet to an angle, thence
- (3) North 49 degrees 01 minutes 30 seconds East, distant 54.22 feet to a point, thence
- (4) South 41 degrees 31 minutes 00 seconds East, distant 283.53 feet to a point in the curved Northwesternly line of Park Lane, thence
- (5) Southwestwardly along the curved Northwesternly line of Park Lane, curving to the right with a radius of 1321.22 feet an arc distance of 55.64 feet to a point of reverse curve, thence
- (6) Southwestwardly still along the curved Northwesternly line of Park Lane, curving to the left, with a radius of 501.12 feet an arc distance of 4.36 feet to the point and place of beginning.

Known and Designated as Lot No. 14 on a map entitled "Revised Map of Fells Park, situated in the Borough of Caldwell and Essex Fells, surveyed February 1928 by Ernest Baechlin, C.E. Bloomfield, NJ"

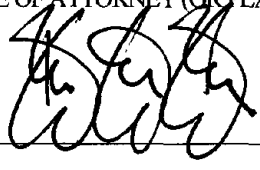
FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 14, Block 30.A on the Borough of Essex Fells Tax Map.

The above description was drawn in accordance with a survey prepared by Richard J. Hingos, INC., dated 7/23/02.

FORM 104 (10/06)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS VALLEY NATIONAL BANK	DEFENDANTS JUSTIN ALLEN MIHALIK			
ATTORNEYS (Firm Name, Address, and Telephone No.) KENNETH L. RORSE, ESQ., 161 Prospect Street, Passaic, New Jersey 07055, Tel. (973) 779-0100	ATTORNEYS (If Known) DANIEL J. YABLONSKY, ESQ., 1430 Route 23 North, Wayne, New Jersey 07470			
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee			
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Debtor made material misrepresentations of facts on financial statements submitted to Plaintiff. Debtor intentionally and deliberately failed to advise Plaintiff of his divestiture of his ownership interest in the marital home in violation of 11 U.S.C. 532(a)				
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; border: none;"> FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: center;">(continued next column)</div> </td> <td style="width: 50%; vertical-align: top; border: none;"> FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce/sep property settlement/decre <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – reinstatement of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) </td> </tr> </table>			FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: center;">(continued next column)</div>	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce/sep property settlement/decre <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – reinstatement of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input checked="" type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: center;">(continued next column)</div>	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce/sep property settlement/decre <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – reinstatement of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)			
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23			
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 69,607.82			
Other Relief Sought				

FORM 104 (10/06), Page 2

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES			
NAME OF DEBTOR Justin Allen Mihalik		BANKRUPTCY CASE NO. 10-14423-NLW	
DISTRICT IN WHICH CASE IS PENDING District of New Jersey (Newark)	DIVISIONAL OFFICE		NAME OF JUDGE Novalyn L. Winfield, J.U.S.B.
RELATED ADVERSARY PROCEEDING (IF ANY)			
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.	
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE		NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) 			
DATE 3/26/10	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Kenneth L. Rose, Esq.		

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, if it is required by the court. In some courts, the cover sheet is not required when the adversary proceeding is filed electronically through the court's Case Management/Electronic Case Files (CM/ECF) system. (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Parties. Give the names of the parties to the adversary proceeding exactly as they appear on the complaint. Give the names and addresses of the attorneys if known.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not presented by an attorney, the plaintiff must sign.